

## Message Text

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ORIGIN EB-07

INFO OCT-01 EA-06 ISO-00 FEA-01 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 EUR-12

/099 R

DRAFTED BY EB/OT/GCP:ELWILLIAMS/DTMORRISON

APPROVED BY EB/ITP:MWGLITMAN

STR:HHENTGES

COMMERCE:BMILLER

LABOR:BWHITE

TREASURY:AGAULT

AGRICULTURE:BSHARKEY

EA/PRCM:RHOLMES

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R 231806Z JUL 75

FM SECSTATE WASHDC

TO AMEMBASSY SINGAPORE

AMCONSUL HONG KONG

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E.O. 11652: N/A

TAGS: ETRD, HK

SUBJECT: HONG KONG AND REMOVAL OF COMMONWEALTH PREFERENCES

REF: SINGAPORE 2430

1. IN VIEW OF REPRESENTATIONS BY BRITISH HERE IN  
WASHINGTON (AIDE MEMOIRE PRESENTED 5/1/75) AND GENERAL  
MOTORS-SINGAPORE (REFTEL), WASHINGTON AGENCIES HAVE RE-  
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EXAMINED US POSITION CALLING FOR COMPLETE ELIMINATION BY

HONG KONG OF REVERSE PREFERENCES ACCORDED DEVELOPED COUNTRIES AS ELEMENT IN SYMPATHETIC CONSIDERATION BEING GIVEN TO HONG KONG'S REQUEST FOR BENEFICIARY STATUS UNDER GSP. WE HAVE CAREFULLY CONSIDERED POINTS MADE BY UK OFFICIALS AND GM REP BUT CONTINUE TO BELIEVE ON BALANCE THAT POLICY FAVORING GENERAL ELIMINATION OF REVERSE PREFERENCES BEST SERVES US TRADE INTERESTS. DEPARTMENT (GLITMAN) WILL INFORM BRITISH EMBASSY ORALLY OF THIS DECISION. EMBASSY SINGAPORE LIKEWISE MAY APPRISE LOCAL GM REPRESENTATIVE.

2. IN REQUESTING THAT WE MODERATE OUR POSITION, PARTICULARLY WITH RESPECT TO ELIMINATION OF PREFERENCES WHERE US HAS NO CURRENT TRADE INTEREST, BRITISH EMBASSY PROPOSED IN MAY 1 AIDE-MEMOIRE (A) THAT WE ACCEPT ELIMINATION OF

SOME PREFERENCES WITH UNDERSTANDING THAT REST WOULD BE ABANDONED LATER SHOULD IT BE DETERMINED THEY ARE ADVERSELY AFFECTING US COMMERCE, OR (B) THAT PREFERENCES BE PHASED OUT OVER PERIOD OF YEARS (OR A COMBINATION OF THESE TWO ALTERNATIVES).

3. WE INDICATED TO CORTAZZI OF BRITISH EMBASSY AND TO JORDAN, HKG DIRECTOR OF COMMERCE AND INDUSTRY, DURING JORDAN'S APRIL 21-23 VISIT TO WASHINGTON, THAT US REQUEST FOR ELIMINATION OF HK REVERSE PREFERENCES IS IN KEEPING WITH GENERAL US OBJECTIVE OF PROMOTING AN OPEN, NON-DISCRIMINATORY TRADING SYSTEM. WE FURTHER QUESTIONED WHETHER RETENTION OF SELECTED PREFERENCES OF NO CURRENT INTEREST TO US WOULD LEAVE IN TACT PREFERENCES OF MAJOR ECONOMIC INTEREST TO THE UK. WE NOTE THAT COMPLETE ELIMINATION OF REVERSE PREFERENCES FOR DEVELOPED COUNTRIES HAD BEEN OFFERED BY HKG (IN EXCHANGE FOR GSP ELIGIBILITY) AND THAT THIS REMAINS A USEFUL SELLING POINT IN SEEKING CONGRESSIONAL ACCEPTANCE OF GRANTING GSP TO HONG KONG. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, GENERALIZED PREFERENCES (TARIFFS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 23 JUL 1975  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
**Disposition Authority:** greeneet  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Disposition History:** n/a  
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**Disposition Remarks:**  
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